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WASHINGTON, D.C. - U.S. Rep. Charlie Melancon (D-LA) voted today in support of legislation to assist workers who are laid off when their jobs are moved overseas. The Trade and Globalization Assistance Act (H.R. 3920), which passed the House with bipartisan support, would overhaul the Trade Adjustment Assistance (TAA) program, expanding opportunities for job training to transition workers into 21st century jobs.

"While we can't stop American companies from moving overseas, we can lessen the blow on working Louisianians and help them transition into new jobs," said Rep. Melancon. "This legislation will make sure more American workers, including those in service-sector jobs, have the tools they need to compete and win in today's rapidly changing global economy."

"And, since losing a job often means losing health insurance, this bill will help laid-off workers better afford to continue health coverage for themselves and their families. I am proud to vote for it, and I will continue to stand with the working people of south Louisiana."

Specifically, the Trade and Globalization Assistance Act extends TAA job training and health benefits to service workers who lose their jobs due to global trade and covers more manufacturing workers. It dramatically improves TAA health care benefits and strengthens job

training benefits so that workers have a real opportunity to strengthen their skills for good-paying jobs. The bill explicitly prohibits undocumented workers from receiving any TAA benefits or services.

The Trade and Globalization Assistance Act also creates new benefits and tax incentives for industries and communities that have experienced manufacturing job losses, promotes long-needed reforms in unemployment benefits, and strengthens notification of workers laid off in plant closing or in mass layoffs.

"As our nation moves forward with expanded trade, this bill is a first step to ensure that it won't be at the expense of American workers," said Rep. Melancon.

Extend Trade Adjustment Assistance to service workers. The bill specifies that workers who produce services (such as engineers and call center workers), who are laid off due to trade, are also eligible for Trade Adjustment Assistance. Some have forecast that 3.3 million service jobs could go overseas by 2015. Current law extends coverage only to workers in the manufacturing and agricultural sectors.

Expand Trade Adjustment Assistance to more manufacturing workers. The bill closes loopholes in current law to ensure that all workers who lose their job because their factory moves offshore get TAA benefits. The bill also provides for automatic group certification for workers from industries injured by trade, as determined by the International Trade Commission, and for industry-wide certification when several firms in the same industry are certified within a 6-month period. Under current law, the TAA certification process is on a firm-by-firm basis. That process can lead to inconsistent results, with some workers who lose their jobs receiving the TAA benefits they deserve, while others down the street do not. This provision attempts to remedy that problem by authorizing the Secretary of Labor to develop criteria for making industry-wide certifications

Double job training funding & expand job training support. The bill authorizes up to \$440 million for FY 08, and increases it to \$660 million by 2010. This will address training funding shortfalls faced by some States, cover increases in the number of eligible workers (because of expansion to service workers and more manufacturing workers), and provide workers in longer term job training (including college) with an additional 26 weeks of income support. The bill explicitly prohibits undocumented workers from receiving any TAA benefits or services.

Incentives to redevelop communities hit by loss of manufacturing jobs. The proposal authorizes the designation of manufacturing redevelopment zones, and provides the work opportunity tax credit for employers hiring individuals from that area. The communities would be eligible for more than \$5 billion in tax exempt bond financing for new business; \$3.6 billion in tax credit bond financing for the cost of redevelopment; and more low-income housing credits.

Improve health care tax credit. The Health Care Tax Credit (HCTC) program offers health insurance assistance to TAA-eligible workers who have lost their employer-sponsored coverage, but as few as 10 percent of eligible workers take advantage of the credit because of its cost. This legislation increases the tax credit to cover 85 percent of the out-of-pocket cost for private health insurance up from 65 percent; removes administrative barriers to obtaining coverage; improves coverage of spouses and dependents; and improves insurance options in markets that lack affordable choices.

Extend Health Care (COBRA) for Workers Affected by Plant Closures. The bill would extend the time period that workers can continue their health coverage at their own expense with their former employer at cheaper group rates, also known as COBRA. Workers over age 55 who lose their jobs because of trade and who worked with the same employer for over ten years could pay for COBRA health coverage until they become Medicare eligible at age 65 or obtain health care through a subsequent employer. The bill provides all TAA eligible workers with up to 30 months of COBRA, up from 19 months in current law.

Reform Unemployment Insurance. The bill rewards States for taking steps to improve unemployment insurance coverage for low-wage, part-time and other workers. Unemployed low-wage workers are only one-third as likely to receive unemployment benefits, but more than twice as likely to be unemployed as higher wage workers. The bill provides financial incentives for States that: count workers' most recent wages when determining UI eligibility; end discrimination against part-time workers; allow separations from work for compelling family reasons (such as fleeing domestic violence); and provide extended benefits during approved training for high demand employment.

Strengthen Notices to Workers Affected by Plant Closures or Mass Layoffs. To minimize the devastating impact of plant closures and mass layoffs on workers, their families and their communities, the bill ensures that workers who are about to lose their jobs are given enough notice and information - increasing, to 90 days from 60, the amount of advance notice. Nearly two-thirds of mass layoffs and plants closures in 2001 did not come with the

required 60-day notice. [2003 GAO report] The bill would also require employers to inform workers of benefits and services such as unemployment compensation and job training and beef up penalties for failing to provide plant closing notices.

Fully paid for -- by delaying tax break for foreign interest payments and extending unemployment tax. The bill delays a tax break that was enacted in 2004 but has not gone into effect, for three years (beginning in 2012), that permits companies to reduce their U.S. taxes by allocating their worldwide interest between their U.S. and foreign source income in order to gain a higher foreign tax credit limitation. Not one company currently utilizes this provision. In addition, the bill extends the current-law unemployment tax (the FUTA surtax) on employers, which President Bush has also proposed extending.